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JAN 11 1955

*OGC 8-0598*

MEMORANDUM FOR: Deputy Director (Administration)

FROM : Chief of Logistics

SUBJECT : Air Conditioning Units for ONE (South Building),  
Funding Methods to Purchase and Install

REFERENCES : A. DD/I memorandum to DD/A, dated 24 November 1954 re Request Air Conditioning units for ONE South Building Space.  
B. Your memorandum to Chief/LO, dated 29 November 1954, forwarding Reference A for recommendations.  
C. Memorandum from Chief/LO, dated 23 December 1954, including recommendations on subject.

1. Reference C was returned to me by you on 29 December 1954 with DD/A marginal notes requiring additional information in regard to present 41 air conditioners required to meet Reference A request and contract authorization, policy and funding methods employed to provide 56 window-type air conditioners and 1 package unit presently being installed in South Building.

2. This present work is a portion of the General Services Administration Contract No. GS-R3-B-3442 awarded on 30 June 1954 to Columbus Construction Company. A copy of the specifications, contract forms, etc., are attached as Annex 1. Section II of this Annex is entitled "Air Conditioning". Annex 1 was prepared by Region No. 3, Public Buildings Service, General Services Administration, as a result of our Job Order # 54-1659, dated 14 May 1954, copy of which is attached as Annex 2. This same job order also resulted in separate contracts to construct a tunnel between the Administration and South Buildings and the modernization of the East Elevator in South Building. As noted on Annex 2, the scope of the work requested, including air conditioning in the South Building space, "was to be accomplished by contract as discussed during the last meeting on 4 May 1954." At this meeting, the intended use of the South Building space was discussed in detail with PBS representatives. It had been agreed from the start that the Agency would reimburse GSA for this work and the job order makes note of "Allotment No. 4-6612-20."

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3. Additional FY '54 funds (vouchered) in the amount of [ ] were approved and made available on 14 April 1954 and allotted to 4-6612-20 (Space, Maintenance and Facilities Branch, Real Estate and Construction Division, Logistics Office). The South Building alterations was one of the approved items included in my 9 April 1954 memorandum to the DD/A subject, "FY '54 Fund Requirements for Space, Maintenance and Facilities Branch, Real Estate and Construction Division," copy of which is attached as Annex 3. The estimates included in Annex 3 covering the South Building Alterations [ ] were increased from the breakdown or itemized estimates which were presented in my 8 March 1954 memorandum to the ADD/A subject, "Proposed Move of DCI to South Building", copy of which is attached as Annex 4. It will be noted that Annex 4 calls for furnishing and installing 43 window-type units. (This total was later increased to provide 56 window-type units and 1 package unit of 7½-ton capacity for the DCI's Conference Room on the second floor of South Building). Annex 4 was preceded by my memorandum to the ADD/A, dated 2 March 1954, subject, "Proposed Move of DCI to South Building", copy of which is attached as Annex 5. In Annex 5, the estimate for a central system for air conditioning the entire second floor and the DCI's portion of the third floor was presented. This was returned with oral instructions to estimate for window-type units.

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4. It should be noted that Annex 3 included approved items for (a) air conditioning of South Building telephone frame room. A contract (entirely air conditioning) was awarded by PMS on 7 June 1954 and is now complete. (b) [ ] alterations. A contract including air conditioning and ventilation was awarded by PMS on 8 June 1954 and is presently being accomplished. Section 22 of the specifications to the Contract is entitled, "Air Conditioning and Ventilation". Vouchered funds from Allotment No. 4-6612-20 were used for both of the above contracts in exactly the same manner as the South Building alterations. Air Conditioning of (a) above was specifically mentioned in Annex 3 and concurred in by the Comptroller on 13 April 1954. Actual mention of the air conditioning was not made in the project outline for (b) above but the cost estimates as submitted (approved by PFC and ADD/A, # 81-54) did include an estimate for "boasting and ventilating." The 16 October 1953 memorandum, subject, "Submission of Project for Renovation of [ ] is attached as Annex 6.

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5. The restrictions and modifications of restrictions on the purchase and installation of air conditioning and ventilating equipment in a building in the Metropolitan area of Washington, D. C., were reviewed in detail with PBS representatives on 6 January 1955. This review disclosed the following:

a. Public Law 763, 77th Congress, approved 26 October 1942, placed all air conditioning equipment, which was then or thereafter installed in Government-owned or leased buildings in the District of Columbia and areas adjacent thereto operated by PBS, in the custody and under the control of FBA. All existing appropriations or, unless specifically so provided, future appropriations, other than appropriations to the FBA, shall not be available for the purchase or installation of such equipment.

b. The legislation, as modified by Public Law 410, 81st Congress, approved 26 October 1949, is outlined in PBS, Region No. 3 letter dated 7 May 1951 and was made available to us just prior to the 6 January 1955 meeting mentioned above. This notice is attached as Annex 7.

c. GSA Circular No. 39, dated 25 February 1952, was distributed to agencies in the Metropolitan area to be used for policy guidance in connection with installation of air conditioning equipment, copy of which is attached as Annex 8. This Circular is quoted in the 8 April 1952 letter from GSA, Regional Director to Mr. W. R. Wolf, then a Deputy Director, CIA, copy of which is attached as Annex 9.

6. It should be noted that a comma follows the word special in "except for special, laboratory and scientific purposes, etc." in both Annexes 8 and 9. The exception for "special" type space has served to permit air conditioning installations in special purpose rooms such as the telephone frame room, communications equipment rooms, conference and briefing rooms and classrooms. Office space for the Director and his Staff was justified to PBS as "special" space.

7. The fact that the limitations or meaning of the clause was changed by omission of this comma, which does not appear in actual legislation, was discussed at some length in an effort to determine under what authority the Agency's request for installation of air conditioning was being honored. It was then disclosed that the policy as outlined in PBS, Deputy Regional Director's memorandum to their

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Comptroller, dated 10 June 1953, was being followed. Government agencies and departments in the Metropolitan area were not given copies of this memorandum and its contents were not known to the Agency until the 6 January 1955 discussion. Copy of this memorandum is attached as Annex 10. It has been our policy to submit job orders to Region No. 3, PBS, in accordance with their interpretation of their governing legislation. (In this instance, Annex 8 and Annex 9, attached) All job orders for air conditioning submitted to date are believed to fall in the category of "special" space, or special laboratory space. PBS representatives further indicate (a) that the GAO audit team in Region No. 3 have not questioned any part of the previous contracts, including air conditioning, which PBS has accomplished on behalf of the Agency, (b) that no question is anticipated on any such contracts pending audit by GAO, (c) that the number of current contracts (including air conditioning) upon which audit has been started or completed is not known, and (d) that they believe any revision of the South Building Contract would most certainly attract attention to items omitted or otherwise modified.

8. It is apparent that the authority given the DCI in Section 10.b. of Public Law 110 is the basis for the PBS policy. Since it is not and has not been the Agency's policy to apply this authority in situations of this nature, the following is recommended:

a. That the additional air conditioning request per Reference A not be provided as a change order to the existing South Building Contract.

b. That the existing Contract for South Building Alterations be completed in its present form.

c. That the air conditioning package unit for the DCI and DDCI office spaces be installed by PBS Group Forces in accordance with recently approved plans and Job Order, dated 16 November 1954. This job order indicates that [ ] including approximately [ ] for this air conditioning) would be available under Allotment No. 4-6612-20 (vouchered). Work has been started by PBS on this job order.

d. That internal Agency policy be immediately established whereby request including air conditioning, outside the standards as established for all other Government Agencies will not be forwarded to PBS, Region No. 3, for accomplishment of contracts.

REAC/IO. [ ]/jm (10 January 1955)

Distribution: Original & 2 - Addressee

REAC - 2 IO - 3

General Counsel - 1 S&F - 1

Comptroller - 1

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Attachments

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ORIGINAL DOCUMENT MISSING PAGE(S):

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*No Attachments*